DEPARTMENT OF SOCIAL & HEALTH SERVICES
Medical Assistance Administration
March 25, 2005

SeaTac Marriott
3201 S. 176th Street
Seattle, WA 98188

Members Attending

Janet Varon
Maria Nardella
Chris Jankowski, OD
Claudia St. Clair
Rick Austin for Barbara Malich
Eleanor Owen
Carol Jorman for Blanche Jones
Jerry Yorioka, MD
David Gallaher
Kathy Carson

Members Not Attending

Allena Barnes
Mark Secord
Elyse Chayet
Steven Gobin
Paulette Roe

MAA Staff

Doug Porter
Debbie Meyer
Jim Stevenson
Steven Wish
MaryAnne Lindeblad
Jeff Thompson

Guests

Annette English
David Gurule
David Mancuso
Amy Crewdsen

Approval of the Minutes

The minutes for both November 19 & January 28 minutes were approved, and the agenda was approved.

Children's Medical Caseload

Mr. Mancuso handed out copies of his presentation.

The study dealt with the children's medical caseload since the eligibility changes were implemented in 2003. The study targeted children under 200% FPL, and did not include TANF family-related or SCHIP caseloads.

The policy changes took place in April 2003 and affected income verification and signature requirements. It also included the change from a 12-month to 6-month eligibility review.

After these changes were implemented there was a 52,000 decline in the caseload that conflicted with the forecast caseload, so the study was commissioned to look into factors behind the caseload drop.

Phase 1 – administrative data was used as David began to explore the available information on why kids left the program. Was it due to the income verification changes or were there other factors? David said the administrative data is pretty vague and could not definitively answer those questions.

Phase 2 – this part of the project will include actual contact with families that left the caseload.

Phase 1 did provide some answers: When we look at the caseload dynamics in total, we can see that there has been a switch to SCHIP, cutting the net decline to 39,000 children. In fact, SCHIP caseload almost doubled during this period. David also detected another 5,000 or so children who transferred to the family medical program. Part of this may have been due to the Sneede-Kizer ruling or other factors.

The other conclusions David drew so far from the administrative data:

- 39,000 fewer children with medical coverage in Sept. 2004 compared to April 2003
- Increased exits account for most of the decline
- Increased verification-related exits and transfers to SCHIP suggest policy changes did remove some ineligible children
- Increased churning also suggests loss of coverage for some eligible children
- Two-thirds of the net decline were kids who've just left and haven't transferred to another program
- Kids who left during this time period also were likely to be white, English-speaking children.
- More than half the kids who left have medical coverage -- for the vast majority, that is private coverage.
- Family income did not increase for most children who left. The vast majority would still be eligible but about two-thirds of the families currently have other coverage.
- Many of the children who dropped out would be still eligible for SCHIP.
- Approximately one-third of the families are in the process of re-applying for eligibility.

David said the phone surveys in Phase 2 will:

- Ask about the health of the children – yes questions about services used in the past six months.
- Find out if there was a barrier regarding applications sent in, but not processed.

Community Reports

Eleanor Owen – NAMI family advocates have arrived, and the group is much more involved in legislative aspects and coalition building.

This year's action on behalf of some of the legislators is bringing attention to the cost of drugs and demanding accountability on the part of RSN's and providers.

Eleanor commented that she felt that the P&T committee is doing an outstanding job and being very professional in developing a preferred drug list that is effective and efficient for the clients.

Kathy Carson – Having a great deal of problems with the "churners," i.e., those children who left but might still be eligible for Medicaid. The county outreach workers are having a difficult time with the fact that children seen in the clinic start out with Medicaid and then move to uninsured status. There is a real issue with the gap in coverage.

Jerry Yorioka – Physicians in Bellingham are working to persuade more doctors to take Medicaid clients. Access for specialty care has been a problem, and there was a meeting about 4-6 weeks ago with DSHS, Molina Healthcare, CHPW and area providers to work on the issues brought up by the specialty providers.

MaryAnne Lindeblad – currently clients who were automatically enrolled in the program are disenrolling. Molina Healthcare is working on growing membership. There are approximately 2,500 people currently enrolled in WMIP.

Maria Nardella - Maternal & Child Health Program will be getting an intern to look at Children with Special Health Care Needs evaluation with DSHS.

HIV workgroup with DOH is preparing for Medicare Part D implementation. Janet talked with Joan Lewis at SHIBA, and Joan said there is a great need to find out more information and then pass this information on to the clients who will be affected. SHIBA staff will be visiting local Community Services offices within the next several months, sharing information about Medicare Part D. The SSA and CMS websites do have some information about Medicare Part D.

Thousands of Washington residents will be receiving letters from CMS beginning in May. The letters will inform them that they MAY be eligible for the Medicare Part D Program. CMS expects to mail up to 330,000 of these letters to low-income residents. MAA doesn't believe that many people are actually eligible for the program though.

CMS is trying to work with SSA and the National Association of State Medicaid Directors. MAA just received a draft letter from SSA that will be mailed out in several test markets. The feds have indicated states can mail out their own letters, but Washington State plans to wait until after the federal mailings in order to avoid confusion.

Janet Varon - She was glad to see the study on the children's medical caseload. She appreciates the efforts that are being put in to this review. Janet said she also was heartened by the Governor's decision to return to 12-month continuous eligibility. Doug stated that we have been given an executive order that tells us to reinstate the 12-month continuous eligibility. We should start to see changes fairly soon.

Executive Committee Report

The Executive committee is comprised of J**anet Varon, Eleanor Owen, Barb Malich & Allena Barnes.** They try to meet once in between the advisory committee meetings.

Doug suggested that the committee think about having an orientation meeting for the committee members, and committee thought this would be an excellent idea.

The suggestion is to have an all-day meeting on Sept. 23. The morning would be the orientation portion, covering issues like the role of the committee, communication, etc. The afternoon session would be the regular bimonthly meeting.

Doug said he was willing to hire a facilitator for the orientation portion of the meeting. Executive Committee members agreed to structure the September agenda at their next meeting and to begin surveying Title XIX members for ideas.

Enteral Nutrition WAC Changes

The Legislature mandated Medicaid to reduce DME rates 5% in the current budget and may include further cuts for the next biennium, and MAA is looking to two key areas right now to meet the mandate. MAA dropped rates on incontinent supplies last year to meet part of the target, and this spring will adopt changes to the $11 million enteral nutrition program to tighten utilization and make certain the patients in the program have a medically necessary diagnosis for the nutrition supplies. Dr. Thompson said the program is also looking at rate issues and administrative controls. Certain conditions will automatically get coverage or be steered to an expedited process for the enteral therapy; beyond those conditions the provider will have to show medical necessity. While there are some hurdles to work past, Dr. Thompson said MAA will pay for nutrition whenever a client's provider can show medical necessity. In addition, any client denied enteral nutrition does have the right to request a fair hearing as well.

MAA held a three-hour meeting in February to discuss the changes and now is anticipating the new rules will go into effect on May 1. Approximately 2,000 to 2,500 clients are in health-care programs that will be affected by the change, and MAA expects a 30 percent drop in costs as a result of the new rules.

He said additional staff have been hired to handle the prior authorization requests when those calls begin on May 1, 2005. *(NOTE: The effective date of the nutrition rules was postponed again in April. They are now expected to take effect on June 1, 2005*.)

Governor's Budget

Doug noted that MAA's level of funding from Governor Gregoire's budget was better than anyone expected – and probably the best budget MAA will see this year. The Governor's budget includes money to restore programs like the CHIP program, which provided medical coverage for undocumented children and legal immigrants. Premiums once expected to go into effect this July also have been suspended. MAA also received additional staffing to handle the caseload increase.

The only dark cloud in the budget was the Governor's decision to eliminate 1,000 middle managers statewide over the next two years. Doug said MAA and DSHS are still working on the

math to see how many staff will have to be eliminated and what the timetable will be. DSHS expects now to lose approximately 330 staff over the biennium.

Despite that news, Doug pointed out that the larger issue is that the Governor's budget is good for clients.

Asked what he expects to emerge from conference committee, Doug responded: "Not this." He said the Governor's budget is probably a high water mark for MAA and DSHS. He said he thinks some of the revenue proposals will come under fire, and that the Legislature will have to look at additional areas to cut.

Doug also said he expects MAA may be asked to take another 5 percent reduction in our DME program. We may also see some legislators questioning whether the state can afford to restore the V-kids' coverage.

But Doug said the administration feels successful in getting Medicaid exempted from some of the prescription drug bills proposed. "We have been watching these bills to make sure Medicaid won't be affected by them," he said.

Legislation Update

1512/5390 – Evidence-based medicine legislation is still moving through the process.

1290 – The mental health bill, a significant piece of legislation, is still alive. If passed, it would dramatically change the dynamics between DSHS and the RSNs, giving the Secretary much more authority to make the RSNs more accountable. An additional component of that bill would be to ease the crunch in jail funding, where individuals eligible for Medicaid should be able to transition back into Medicaid coverage more easily once they are released from custody.

New DSHS Secretary off to a fast start

Robin Arnold-Williams is the new secretary of DSHS. She comes from Michigan, but has worked for years with Utah state government, serving eight years in charge of that state's social services agency. Utah's Medicaid program, however, was operated by a different state agency.

Doug said first impressions unanimously hold that she brings a lot of energy to the table. She's also had to deal with her share of immediate crises. She quickly made the front page of The Olympian after the Governor criticized a $12 million deficit in the Children's Administration.

Robin is very interested in Medicaid Reform, and Doug had a meeting scheduled on March 28 to talk about that subject. He will be finding out from the Secretary what she would be wanting to recommend to the Governor regarding program flexibility. He said the general impression is that she is going to take the program to the next level.

Tobacco Settlement Funds

Currently the dollars from the tobacco settlement are going into the Health Services Account.